Private placement of shares by Reliance

4100. SHRIMATI BIMBA RAIKAR : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether the Securities and Exchange Board of India has written to Centre over the alleged irregularities in private placement of shares by Reliance Industries Ltd.;

(b) if so, the details thereof; and

(c) whether SEBI has powers to proceed against such violations of its guidelines and if so, the reasons for SEBI referring the issue to Centre?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) to (c) SEBI has sent a report about debenture issues of Reliance Industries Ltd. subscribed by the erstwhite Unit Trust of India. Debentures were subsequently converted into the shares of Reliance Industries Ltd. The report suggested appropriate action including referring the matter to CBI for investigation. SEBI has also launched investigations under the SEBI Act, 1992 and Regulations.

Repayment of foreign currency convertible bonds

4101. SHRI RAMA MUNI REDDY SIRIGIREDDY : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that Government have allowed the Indian companies to repay foreign currency convertible bonds ;

(b) if so, the details thereof ;

(c) whether any limit has been fixed when it is made out of local requirements; and

(d) if so, the details thereof ;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) Yes, Sir.

(b) to (d) Government has allowed Indian companies to prepay the existing Foreign Currency Convertible Bonds (FCCBs) subject to certain conditions. This Scheme is available under automatic route upto a limit of US $ 100 million if the prepayment is made out of local resources and without any limit if prepayment is out of EEFC funds or inward remittances towards equity subject to fulfilling the stipulated conditions. Presently, the facility for prepayment of existing FCCBs is open upto 30-9-2003.